

NM Fee Initiative Public Workshop

February 26, 2020

1:30 –2:30

The DAQ presented the NM Fee background and proposal, then opened for discussion. Below is a brief summary of comments and questions with their respective responses.

Comment/Question	Response
Will the proposed fees as set forth in the slides be adjusted based on the value of the dollar when it becomes effective?	Pending General Assembly review and approval, the fees will not be adjusted for inflation between now and the effective date.
For existing permits, just the annual fee is increasing, not an expectation to reapply and incur the increased application fees?	No reapplication is required for existing permits, only annual fees apply.
If I upgrade a paint booth, do I have to apply for a new permit?	Changes to your facility's operations may require a new permit or a permit amendment. Please contact a DAQ representative for guidance.
What does the staffing and source universe look like now vs 1991?	With regard to staffing, 10 yrs ago, we've gone from 79 to 60 authorized positions. TV & SM sources have dropped...from 135 to about 122 today. NM sources have remained relatively stable.
Other states have standardized certain permit applications resulting in reduced staff requirement.	The DAQ, is working on the ePermitting initiative, which we do expect will have efficiencies in the application process., The ePermitting project will consider many time saving tools & processes. DAQ presented additional information for state-to-state comparison of current fees. We noted that it was hard to compare due to different permitting structures. Almost all surrounding states have complexity fees. It is noted that some states, like Pennsylvania, have standard permits. Delaware has standardized processes but has not gone as far as Pennsylvania.

Other states usually base on emissions	Each state, based on the industrial landscape, establishes fee structures best suited for the state and its customers. While our current Natural Minor fee structure does consider emission levels for some categories, the proposal consolidates and simplifies the current structure by removing emission qualifiers but adds complexity fees.
Are the current fees, reflective of any adjustment for inflation since 1991?	No, the fees are exactly as set back in 1991.
If we expect legislative heat, refer to the next adjustments as fee review periods which better reflects chance of program costs and fees increasing or decreasing.	The DAQ acknowledges and appreciates the suggestion.
What kind of work is covered by annual fees?	Facility inspections, technical document reviews, administrative support, response to complaints or facility questions are covered by annual fees.
Most of the increase is in the application fees, as a way to lure businesses to Delaware, have you considered waiving the first 1-2 years of the annual fee?	New and existing facilities are not charged an annual fee until an operating permit is issued. Construction permits are valid for 3 years and during this time they are not charged any fees beyond the initial permit application fee.
You're a dry cleaner, so your application fee is \$500, then pay \$300 for the annual thereafter.	For dry cleaners your application fee includes the first year's annual fee. In subsequent years facilities will pay the annual fees.
Received bill (Synthetic Minor), any thought to distinguishing Synthetic Minors that are way below thresholds? Also questioned why a facility with potential of zero hours (lowest category) still receives a charge for the base fee.	The DAQ explained how the TV & SM fees are comprised of base (hours) & user (emissions) fees. Based on current billing cycle, no facilities have zero hours, the hours are a 5-year period total (2012-2016). Title V or Synthetic Minor facilities would only be subject to Natural Minor application fees, as applicable. Annual fees for those facilities are set forth in the separate TV & SM program permit fees.
Is Delaware ever going to have a general permit category like other states?	We do not currently have general permits. We do have templates that we use that help streamline certain types of permits. Area source category permits, (dry cleaner, water tower sand blasting) could be considered similar to a general permit.

Are program costs flat now? When the Natural Minor fees were set in 1991, were they meant to cover the program costs entirely?	As a direct result of the 1991 Federal Clean Air Act Amendments, the current NM permitting program was established. The program scope, costs and supporting fees were best estimates at the time. Assuming no regulatory or significant changes to the industrial landscape occur, program costs will be impacted by normal inflation factors (COLA). DAQ staffing levels have declined (79 to 60) over the past decade but are currently stabilizing. Program costs are impacted by statewide salary increases or other employee costs.
What if regulatory changes or other significant cost increases occur that add to our program costs?	Should significant regulatory or other changes occur impacting program costs, the proposed legislation, if approved, allows for the periodic (3 years) review and presentation of program costs and recommended fees to the General Assembly.
Is there a permit backlog?	DAQ is currently not experiencing any backlog with respect to Natural Minor permits. However, permit delays do occur when incomplete permit applications are submitted or facility ownership changes occur.

The DAQ will post the slides, background paper and notes from the meeting on the DAQ homepage (special link will be available).